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ESTABLISHING REFERRAL ARRANGEMENTS BETWEEN LOCAL GOVERNMENT UNITS AND WELL-FAMILY MIDWIFE CLINICS

Background

The Department of Health's (DOH) Matching Grant Program (MGP) provides financial and technical assistance to local government units (LGUs) to enable them to improve and expand family planning, immunization, and Vitamin A supplementation services. The primary role of the LGUs is to ensure that all individuals have access to basic health services, which are available in both public health facilities and private clinics.

Due to limited government resources, public health facilities are increasingly being encouraged to focus on reaching the poor and disadvantaged. Public health facilities are being asked to direct clients who can afford to pay to private health providers, rather than allowing these clients to compete with the indigent for meager supplies and medicines. It is hoped that redirecting these clients to the private sector will optimize the public sector's limited resources while enhancing the financial viability of the private sector.

In some MGP areas, there is already some collaboration between the public and private sectors. For instance, some public Rural Health Units (RHUs) have been referring paying clients to private Well-Family Midwife Clinics (WFMCs) for birth deliveries, immunizations, and other services. In turn, midwives from the clinics assist the RHUs during the days scheduled for prenatal services, allowing them to recruit potential paying clients. In addition, WFMCs inform RHUs of births for immunization follow-up, especially when the midwife involved has not yet received training on immunization.

The Strategy

The MGP, through Management Sciences for Health (MSH) coordinated with JSI Research and Training Institute, Inc. (JSI/RTI) to promote public-private sector collaboration in the delivery of health services at the local level. Over 200 WFMCs have been established nationwide under JSI/RTI's TANGO II Project.

In March 2001, MSH, JSI/RTI, and the Davao Medical School Foundation–Center for Education, Research, and Development in Health (DMSF-CERDH), a nongovernmental organization (NGO) overseeing WFMCs in Region 11, met with city and municipal health officers (C/MHOs) from Davao del Norte to discuss collaboration between the LGUs and the WFMCs. They agreed to establish cross-referral arrangements between the health centers and the WFMCs.

It was agreed at this meeting that decreasing the number of paying clients at the LGU clinics would allow clinics to concentrate their

resources on disadvantaged groups. Simultaneously, this would improve the financial viability of the WFMCs. As a result, LGUs were encouraged to collaborate with the WFMCs in their areas and to establish cross-referral arrangements. Through a Memorandum of Agreement (MOA), the local chief executive, the C/MHO, and the NGO representing WFMCs commit to establish a cross-referral system that would benefit both parties.

Public-Private Sector Collaboration: The Case of Carmen, Davao del Norte

The initiative was piloted in the Municipality of Carmen in the Province of Davao del Norte. In February 2002, representatives from DMSF-CERDH conducted an orientation meeting with the MHO, local health staff, and a midwife from the WFMC and held a brainstorm on the referral system and salient provisions of the MOA.

The draft MOA was presented to the Municipal Mayor in July 2002 and signed in August of the same year (Box 1). However, prior to the

Box 1. Cross-referral Commitments under the Memorandum of Agreement

Rural Health Unit

- Ensure that clients referred by the RHU personnel and volunteers to the WFMC are cases within the scope of the midwifery profession and have the ability to pay for services required.
- Provide the WFMC with a set of reproductive health-related reporting forms.
- Provide the WFMC with supply of TCU 380A (Copper T IUD).
- Participate in the semi-annual assessment of the partnership.

Nongovernmental Organization

- Inform residents of the municipality/city about the WFMC services and management.
- Ensure that the WFMC:
 - ❖ conforms to the standards set by the DOH for family planning facilities and birthing centers and that all permits necessary for the operation of the WFMC are accomplished.
 - ❖ submits monthly reports on reproductive health services provided by the clinic.
 - ❖ participates in the DOH's special project activities related to reproductive health services.
 - ❖ accepts referrals (paying clients) made by personnel and volunteers under the supervision of the RHU.
 - ❖ endorses/refers non-paying clients to the RHU.
 - ❖ documents all referrals made under the collaboration using agreed-upon referral slips.
 - ❖ reimburses referring personnel or volunteers for transportation and other incidental expenses attendant to the referral.
- Ensure that pre-numbered referral slips are provided to the WFMC, RHU, and volunteers.
- Initiate the conduct of a semi-annual assessment of the partnership.



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signing of the formal agreement, an informal cross-referral arrangement between the WPMC and the RHU had already commenced.

How It Works

The RHU, through its network of *Barangay* (Village) Health Workers (BHWs), refers paying clients to the WPMC, particularly for family planning and maternal and child health services, e.g. pill supply, IUD insertion/removal/check-up, normal spontaneous delivery, pre/post-natal care, immunization, pap smear, etc. Normal spontaneous birth deliveries form the bulk of the RHU's referrals. Meanwhile, the WPMC refers deliveries with complications either to the district hospital or to a private hospital for appropriate care.

The WPMC maintains 12 health workers, not including LGU BHWs, for promotional activities and client recruitment. The clinic reimburses health workers and/or referring personnel for transportation and other costs attendant to the referral. The RHU is paid a small amount for each referral, which it uses to buy supplies.

When referring cases to a government or private facility, the WPMC uses a prescribed referral form. Because the RHU uses handwritten notes, not a referral form, the midwife from the WPMC sends text messages to update the RHU on the status of its referrals. The non-use of referral slips makes it difficult to monitor and assess the extent to which the partnership has been implemented. It also hampers the tracking of referrals for reimbursement purposes.

Before establishing a referral system, the Carmen WPMC averaged 6-8 deliveries per month. With cross-referral, this figure doubled. More than half of this can be attributed to RHU referrals. The clinic's gross sales from family planning and maternal/child health services increased by 45.9 % and 38.1 %, respectively, between 2001 and 2002.

With the formal collaboration now in place, the WPMC receives IUD supplies from the RHU every two months. In return, the clinic submits reports to the RHU on a quarterly basis and participates in the Unit's special program events.

Benefits of the Partnership

The partnership between the LGU and the WPMC in Carmen, Davao Norte is still in its infancy, but several benefits have already been noted:

- Increasing the public's awareness of health service providers such as the WPMC helped decongest the RHU and facilitated the easy referral of paying clients to the WPMC. Consequently, limited supplies were more efficiently used for those unable to pay for medical services. This also reduced patient waiting time at the RHU, helping to improve the quality of services.
- By recruiting paying clients, the WPMC increased its income.
- The LGU improved program performance reporting, particularly for MGP-supported programs. Because the WPMC is required to submit monthly reports to the RHU, which then are incorporated in the LGU's overall report of accomplishments, a more realistic picture of the LGU's health situation is thus obtained.
- The role of BHWs in the health service delivery system was enhanced. Health workers are a crucial part of this system, since they have direct access to communities and are in the best position to identify clients according to their ability to pay.

Market segmentation has been easier and more efficient as a result of the health workers' assistance.

Next Steps

To date, two other LGUs in Southern Mindanao, namely, Kapalong in Davao del Norte and Lupon in Davao Oriental, have formalized cross-referral arrangements with the WPMCs in their areas. In the pipeline are Makilala, M'lang, and Kidapawan City in North Cotabato, all of which were already visited by MSH, JSI/RTI, and the concerned NGO.

Based on the experience of Carmen, Davao del Norte and the positive response of other prospective LGUs, scaling up is definitely a step in the right direction. In this regard, the following actions need to be undertaken to ensure the smooth and successful implementation and/or replication of this initiative:

- Adopt a standard process to initiate the establishment of cross-referral arrangements (Box 2).
- Develop a standard referral form to be used by RHUs (health personnel) and Barangay Health Stations (midwives and BHWs) in referring clients to the WPMCs for monitoring and reimbursement purposes.
- Devise a reimbursement scheme that is acceptable and beneficial to the BHWs, health personnel, and RHU.
- Ensure regular monitoring and assessment by the NGOs of the status of implementation as provided for in the MOA.
- Encourage NGOs to initiate exploratory/negotiation meetings with prospective LGUs.
- Encourage WPMC midwives to actively participate in LGU-initiated health-related activities and initiate informal collaboration with the RHUs to help establish and institutionalize more formal collaboration.
- Ensure that all key players in this partnership are properly informed of the nature and mechanics of the collaborative agreement.

Box 2. Steps to Initiate Collaboration between LGUs and Well-Family Midwife Clinics

1. The MGP, through MSH and JSI, conducts separate exploratory meetings with the M/CHO and the concerned NGO.
2. Representatives from MSH, JSI, and the NGO orient the WPMC midwife on the proposed collaboration.
3. MSH sets up a meeting among the M/CHO, NGO, and WPMC to discuss the terms of the collaboration as contained in the draft MOA.
4. The M/CHO endorses the MOA to the local chief executive for review and signature. If a *Sangguniang Bayan* resolution is required prior to signing, M/CHO makes a presentation to, and if necessary, briefs the *Sangguniang Bayan* on the services being provided by the WPMC to facilitate passage of the resolution.
5. Upon signing of MOA, the NGO and the M/CHO orient the RHU personnel on the nature of the collaboration and the roles of the LGU, the NGO, and the WPMC, as specified in the MOA.
6. The NGO and the M/CHO orient the BHWs on the proposed referral system and explain their role in ensuring the success of the system.

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